

## Houston Energy, L.P.

Two Allen Center  
1200 Smith, Suite 2400  
Houston, Texas 77002  
Phone: (713) 586-5746  
Fax: (713) 650-8305  
[salford@houstonenergyinc.com](mailto:salford@houstonenergyinc.com)



July 6, 2020

Via FedEx Overnight

Bureau of Ocean Energy Management  
Department of the Interior  
1201 Elmwood Park Boulevard  
New Orleans, LA 70123-2394  
Attention: Adjudication Unit



RE: Filing of Non Required Document  
Assignment of Overriding Royalty Interest  
in Oil and Gas Lease OCS-G 35631  
Mississippi Canyon, Block 170

Ladies and Gentlemen:

Enclosed please find two originals of the following:

<b><u>Title of Document:</u></b>	Assignment of Overriding Royalty Interest in Oil and Gas Lease
<b><u>Identities of Parties to Document:</u></b>	Houston Energy, L.P., Red Willow Offshore, LLC as Assignors and TGS-NOPEC Geophysical Company, as Assignee
<b><u>Leases Affected:</u></b>	OCS-G 35631
<b><u>Category to be Filed:</u></b>	<b><u>5 = Overriding Royalty</u></b> , Production Payment, Net Profit
<b><u>Service Fees:</u></b>	Pay.Gov receipt enclosed in amount of \$29.00

Once this document has been filed as requested, I would appreciate your stamping and returning a copy to my attention in the postage paid envelope. If you should have any questions my direct number is 713.586.5746 or email [salford@houstonenergyinc.com](mailto:salford@houstonenergyinc.com).

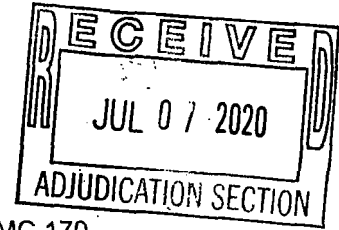
Sincerely,

Houston Energy, L.P.

Sue A. Alford

Enclosures

**ASSIGNMENT OF  
OVERRIDING ROYALTY INTEREST  
IN OIL AND GAS LEASE**



MC 170  
OCS-G 35631

**THE UNITED STATES OF AMERICA  
OUTER CONTINENTAL SHELF  
OFFSHORE LOUISIANA**

§  
§ **KNOW ALL MEN BY THESE PRESENTS:**  
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**THAT, Houston Energy, L.P.**, a Texas limited partnership, whose address is Two Allen Center, 1200 Smith, Suite 2400, Houston, Texas 77002, and **Red Willow Offshore, LLC**, a Colorado limited liability company, whose address is 14933 Highway 172, Post Office Box 369, Ignacio, Colorado 81137 (all hereinafter referred to individually as an "Assignor" and jointly referred to as "Assignors") are the owners of an undivided fifty percent (50%) record title interest in the following oil and gas lease (hereinafter referred to as the "Lease"):

Oil and Gas Lease of Submerged Lands bearing serial number OCS-G 35631 effective July 1, 2015, between the United States of America, as Lessor, and LLOG Bluewater Holdings, L.L.C., as Lessee, described as all of Block 170, Mississippi Canyon, OCS Official Protraction Diagram, NH 16-10, containing approximately 5,760.00 acres, and

WHEREAS, Assignors are the owners of an undivided fifty percent (50%) record title interest in the lease and desire to assign unto **TGS-NOPEC Geophysical Company**, a Delaware Corporation, whose address is 10451 Clay Road, Houston, Texas 77043 (hereinafter referred to as "Assignee") a certain overriding royalty interest in the Lease.

NOW, THEREFORE, effective as of July 2, 2015, and for and in consideration of the mutual advantages and benefits accruing to the parties hereto and for One Thousand and No/100 Dollars (\$1,000), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and further in consideration of the mutual covenants and conditions herein contained, each Assignor does hereby TRANSFER, CONVEY, SELL and ASSIGN unto Assignee a proportionately reduced overriding royalty interest in the Lease of 1.00% of 8/8ths (or a net 0.5% of 8/8's interest) (hereinafter referred to as the "Overriding Royalty").

The Overriding Royalty shall be due only with respect to oil, gas and other minerals produced, saved and marketed from or attributable to the Lease, it being understood that any oil, gas or other

minerals utilized in the drilling, rework, producing or other operations on such Lease shall be specifically deducted from the gross production prior to calculating the volume for the Overriding Royalty. The Overriding Royalty shall be free and clear of any cost of drilling or production, but shall bear its proportionate share of all applicable taxes, including, but not limited to, severance or other similar taxes applicable to production. The value of such Overriding Royalty shall never be calculated, paid or determined on a basis in excess of the gross proceeds of production after deduction of the foregoing and shall be computed and paid at the same time and in the same manner as royalties are computed and paid to the lessor under the terms of the applicable Lease; provided, however, notwithstanding the foregoing, the Overriding Royalty shall never be subject to, affected by, or diminished by any past, present or future rules or regulations promulgated by the Bureau of Ocean Energy Management ("BOEM") successor agency to the Minerals Management Service of the Department of Interior, or any other agency or authority having jurisdiction over the lands covered by a Lease, that provide for, or may provide for, relief, reduction or suspension of the lessor's royalty under a Lease. Assignor shall have the right to pool, unitize, communitize, form joint development areas, surrender, or permit to expire, the Leases without the necessity or joinder of the Assignee, or any subsequent holder of the Overriding Royalty and Assignor shall not be in any manner obligated to maintain, preserve or continue in effect the Leases in any manner whatsoever, or to drill or rework any well on the Leases or conduct any operation whatsoever thereunder. The Overriding Royalty shall be subject to proportionate reduction (i) on account of the failure of leasehold or mineral title for a Lease; (ii) in the event a Lease relates to less than the entirety of the minerals; or (iii) as stated above, if Assignor's leasehold interest in a Lease relates to less than the entirety of the leasehold interest in such Lease, then the Overriding Royalty herein conveyed shall be proportionately reduced and shall be payable to Assignee in the proportion that Assignor's interest in a Lease bears to the entire interest of such Lease. If a Lease is pooled, combined into a joint development area, or unitized, then the Overriding Royalty shall be computed only on the proportionate part of production from any pooled, combined or unitized portion of such Lease which is included in such a pool, joint development area, or unit. Unless otherwise allocated by order of any regulatory body or other authority having jurisdiction, or agreement by Assignor, the amount of production to be allocated to each pool, joint development area, or unit shall be that proportion of the total production that the surface area of the Lease included within such pool, joint development area, or unit bears to the total surface area of all the lands contained within such pool, joint development area, or unit. Notwithstanding anything to contrary herein, without the prior written consent of Assignee, under no circumstances shall proportionate reduction for pooling, formation of a joint development area, or unitization serve to further reduce the Overriding Royalty.

This Assignment arises under and is delivered pursuant to that certain Master License Agreement dated effective July 17, 2002, as amended, by and between Houston Energy, L.P. and TGS-NOPEC Geophysical Company.

Subject to the matters set forth herein, each Assignor, to the extent of its interest conveyed hereunder, hereby agrees to warrant and forever defend title to the Overriding Royalty against the claims and demands of every person whomsoever claiming, or to claim, the same or any part thereof, by, through or under Assignor, but not otherwise. All payment and performance obligations of each Assignor owed to Assignee pursuant to this Assignment to pay its proportionate share of the Overriding Royalty shall be several and not joint, it being the intention of the parties to this Assignment that nothing herein shall be construed as creating any joint and several liabilities or solidary obligations of the Assignors with respect to any such payment and performance obligations.

This Assignment may be executed in any number of counterparts, each of which shall be valid and binding with respect to the signatories thereto and their interest in the property sold and conveyed hereby, but only upon execution by all signatories of this Assignment or a counterpart hereof.

This Assignment shall inure to the benefit of and be binding upon the successors, representatives, and assigns of the parties hereto.

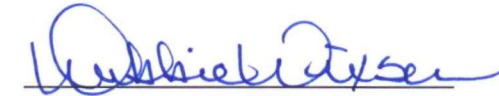
IN WITNESS WHEREOF, this Assignment is executed by the undersigned, duly authorized representatives of the parties hereto as of the dates set forth in the respective signature blocks below.

***SIGNATURE PAGE TO FOLLOW***

**WITNESSES:**



Heath Suire  
(Printed Name of Witness)



DEBBIE WATSON  
(Printed Name of Witness)

\_\_\_\_\_

(Printed Name of Witness)

\_\_\_\_\_

(Printed Name of Witness)

**WITNESSES:**

\_\_\_\_\_

(Printed Name of Witness)

\_\_\_\_\_

(Printed Name of Witness)

**ASSIGNORS:**

Houston Energy, L.P. (1999)

By: Sewanee Investments, LLC, its General Partner



P. David Amend  
Vice President, Land

Date: 5/21/2000

**Red Willow Offshore, LLC (2668)**

\_\_\_\_\_  
Richard L. Smith  
Executive Vice President - Offshore

Date: \_\_\_\_\_

**ASSIGNEE:**

**TGS-NOPEC Geophysical Company**

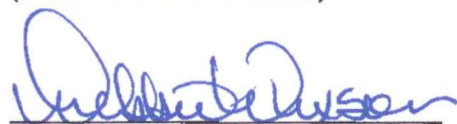
\_\_\_\_\_  
Linda Santiago  
VP of Sales – North & South America

Date: \_\_\_\_\_

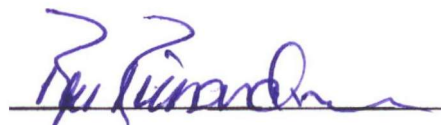
**WITNESSES:**



Heath Suire  
(Printed Name of Witness)



DEBBIE WILSON  
(Printed Name of Witness)



Rex Richardson  
(Printed Name of Witness)



Dan Greaser  
(Printed Name of Witness)

**WITNESSES:**

\_\_\_\_\_

(Printed Name of Witness)

\_\_\_\_\_

(Printed Name of Witness)

**ASSIGNORS:**

Houston Energy, L.P. (1999)  
By: Sewanee Investments, LLC, its General Partner



P. David Amend  
Vice President, Land

Date: 5/21/2020

Red Willow Offshore, LLC (2668)



Richard L. Smith  
Executive Vice President - Offshore

Date: 6/4/2020

**ASSIGNEE:**

TGS-NOPEC Geophysical Company

\_\_\_\_\_  
Linda Santiago  
VP of Sales - North & South America

Date: \_\_\_\_\_



**WITNESSES:**



Heath Suire  
(Printed Name of Witness)



Debbie Wikson  
(Printed Name of Witness)

\_\_\_\_\_  
(Printed Name of Witness)

\_\_\_\_\_  
(Printed Name of Witness)

**WITNESSES:**



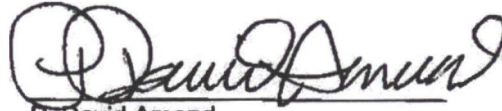
Gena G. Glover  
(Printed Name of Witness)



Camille Edwards  
(Printed Name of Witness)

**ASSIGNORS:**

Houston Energy, L.P. (1999)  
By: Sewanee Investments, LLC, its General  
Partner



P. David Amend  
Vice President, Land

Date: 5/21/2020

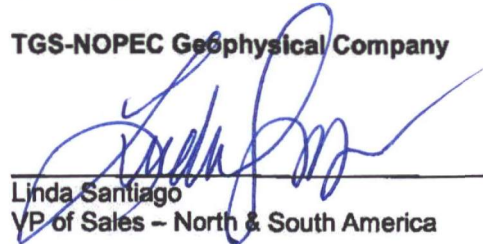
Red Willow Offshore, LLC (2668)

\_\_\_\_\_  
Richard L. Smith  
Executive Vice President - Offshore

Date: \_\_\_\_\_

**ASSIGNEE:**

TGS-NOPEC Geophysical Company



Linda Santiago  
VP of Sales - North & South America

Date: 06.17.2020

**ACKNOWLEDGMENTS**

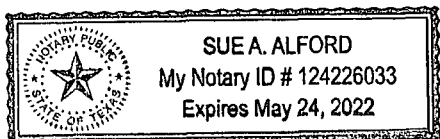
STATE OF TEXAS

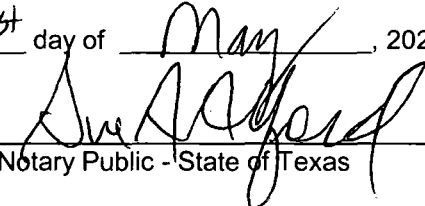
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COUNTY OF HARRIS

**BEFORE ME**, the undersigned authority, on this day personally appeared **P. David Amend**, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President, Land of Sewanee Investments, LLC, its General Partner of Houston Energy, L.P., a Texas limited liability company, and acknowledged to me that he executed the same for and on behalf of said company, for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 21<sup>st</sup> day of May, 2020.



  
Notary Public - State of Texas

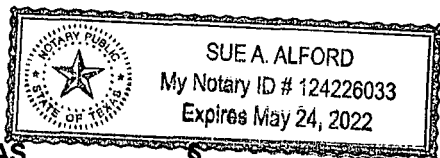
STATE OF TEXAS

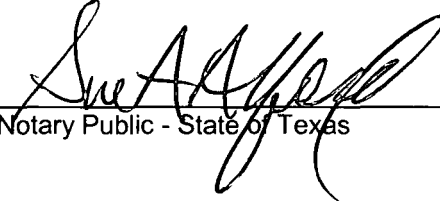
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COUNTY OF HARRIS

**BEFORE ME**, the undersigned authority, on this day personally appeared **Richard L. Smith**, known to me to be the person whose name is subscribed to the foregoing instrument as Executive Vice President - Offshore of Red Willow Offshore, LLC, a Colorado limited liability company, and acknowledged to me that he executed the same for and on behalf of said company, for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 4<sup>th</sup> day of June, 2020.



  
Notary Public - State of Texas

STATE OF TEXAS

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COUNTY OF HARRIS

**BEFORE ME**, the undersigned authority, on this day personally appeared **Linda Santiago** known to me to be the person whose name is subscribed to the foregoing instrument as VP of Sales – North & south America of TGS-NOPEC Geophysical Company and acknowledged to me that she executed the same for and on behalf of said company, for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Notary Public - State of Texas



**ACKNOWLEDGMENTS**

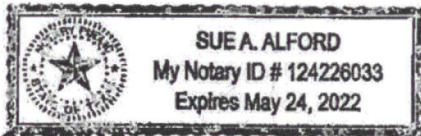
STATE OF TEXAS

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COUNTY OF HARRIS

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**GIVEN** under my hand and seal of office this 21<sup>st</sup> day of May, 2020.



*[Signature]*  
Notary Public - State of Texas

STATE OF TEXAS

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COUNTY OF HARRIS

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**GIVEN** under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Notary Public - State of Texas

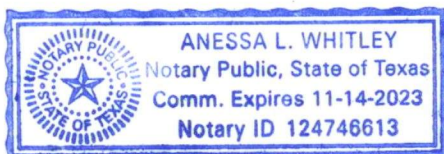
STATE OF TEXAS

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COUNTY OF HARRIS

**BEFORE ME**, the undersigned authority, on this day personally appeared **Linda Santiago** known to me to be the person whose name is subscribed to the foregoing instrument as VP of Sales – North & south America of TGS-NOPEC Geophysical Company and acknowledged to me that she executed the same for and on behalf of said company, for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 17<sup>th</sup> day of June, 2020.



*[Signature]*  
Notary Public - State of Texas